LNF & IHCIF Calculations Illustration

- FT. BELKNAP in Billings area -

Given Data

- 5,572 = 1998 user count
- $2,980 = National average cost per person (not including wrap-around costs)
- 24% = % Expenditures on purchased services, 76% = % expenditures in-house
- 93.3% = Cost index for purchasing health care in this geographic area
- 111.1% = Size cost index for in-house costs due to small or large size
- 103.9% = Billings area cost index for health status above or below average

Cost Adjustment Calculations

- $661 per person for purchased services = 24% * 93.3% * $2,980
- $2,524 per person for in-house services = 76% * 111.1% * $2,980
- $3,184 per person total = $661 (purchase) + $2,524 (in-house)
- **$3,309 per person total** adjusted for health status = $3,184 * 103.9%
- **$2,564 per person net cost** = $3,309 - $745 Other resources (M&M&PI)

Existing Expenditures (for 5,572 users excluding wrap-around and collections)

- $1,254 per person = local IHS allowance (excludes $ for wrap-around)
- $341 per person = expenditures elsewhere in Billings area on behalf of area users
- $54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **$1,649 per person for OU users** = $1,254 + $341 + $54

LNF Calculation

- **49.8% Gross LNF** = $1,649 (expenditures) / $3,309 total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **64.3% Net LNF** = $1,649 / $2,564 net cost ($3,309 - $745 other)

IHCIF Allocation

- $0 = $ to raise LNF% from 64.3% to 60%
- $258,040,100 = aggregate $ to raise all locations to 60%
- 3.488% IHCIF fraction = $9,000,000 fund / $258,040,100 needed
- **$0 Allocation** = $0 needed for 60% * 3.488% IHCIF fraction

FT. BELKNAP Unmet Needs

- **$14,288,271 Net Total Need** = 5,572 users * $2,564 net cost
- **$5,102,202 Net Unmet Need** = (100% - 64.3% LNF) * 5,572 users * $2,564 net cost